

TWO WOMEN CONVICTED OF BINGO SKIMMING

Case includes mail fraud, tax evasion

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September 22, 2006

Last year, gamblers shelled out \$545 million in Kentucky to play bingo for charities. It's a mostly cash-based business. And for some, that cash is too tempting.

Yesterday, a federal jury convicted two Madison County women of skimming proceeds from bingo operations at Jackpot Charity Bingo in Waco and hiding their income from federal authorities.

Rita Faye Tipton, 64, and Gloria Ann Williams, 65, are the latest to be convicted of pocketing bingo proceeds. According to the state Office of Charitable Gaming, Tipton and Williams are two of 26 people who have been convicted of stealing money intended for charity since 2003.

Tipton said after the verdict that she was not sure whether she and her sister would appeal. The Tiptons are expected to be sentenced Dec. 8 along with Brenda and Cletis Merrill Adams, indicted with Williams and Tipton earlier this year. Williams and Tipton were convicted of conspiracy, two counts of mail fraud and three counts of tax evasion.

The Adamses, who are married, pleaded guilty earlier this month to one count each of tax evasion rather than go to trial.

"I was very shocked today with the decision of the jury," Tipton said after the verdict. She said that, after jury selection, Assistant U.S. Attorney Ken Taylor accused her lawyer, Michael Dean, of striking all of the intelligent people from the jury pool and leaving Taylor "with a non-educated jury. I just thought that the jury should know that they were uneducated."

Tipton declined to comment further.

Taylor said yesterday that Tipton misconstrued what he described as a lighthearted comment between lawyers. Taylor said that he told Dean that he appeared to be striking potential jurors based on their education level. Taylor said he was not making a crack about the intelligence of the jury.

The jury took a little less than 21/2 hours to render the guilty verdict on all counts.

Over the past 18 months, several Kentucky residents have been charged with or convicted of diverting money intended for good causes to their own pockets.

Just two weeks ago, a woman charged with stealing nearly \$280,000 in charity proceeds from a senior citizens center in Todd County was arrested in Tennessee after being indicted in July on 131 counts of forgery and 131 counts of theft by unlawful taking. Authorities contend that Paula Marie Terrones, a bookkeeper for the Guthrie Senior Citizens Center, deposited checks made out to charitable gaming supply companies to her own bank account.

In December, a federal jury convicted Dorcas "Susie" Ormsby of two counts of mail fraud in connection with diverting \$120,000 in bingo proceeds from Scott County charities to herself. Ormsby was sentenced to 33 months in federal prison, which she is now appealing.

In February, Roger Alexander, the former chief of the Waco Volunteer Fire Department, was convicted of diverting funds from the volunteer fire department bingo proceeds while operating a bingo hall in Berea from 2001 to 2004.

Alexander started the Berea bingo hall after he tipped Office of Charitable Gaming investigators to possible irregularities at Jackpot Charity Bingo in early 2000. The Waco Volunteer Fire Department was one of the four charities that conducted bingo at the Waco hall. Williams, during her testimony earlier this week, said that Alexander and others who testified against her and her sister were "fanatic liars."

During an undercover sting, Office of Charitable Gaming, investigators said, they found that on four different nights Jackpot Charity Bingo was selling illegal pull-tab games and not reporting those games or the money they generated to state regulators. When the IRS raided Tipton's home they found security cameras, a sunken safe in the garage and \$2,000 in cash in Tipton's purse.

The four charities that operated at the hall were just a front for Tipton, Williams and their extended family to make money, Taylor said during the trial.

Tipton and Williams, who both testified in their own defense, denied having any influence over the charities or lying about their income on federal tax returns. Tipton paid only \$138 in income taxes from 1998 to 2001. Williams paid no income taxes. The women claimed large gambling losses on income tax returns, despite having no income, investigators said.

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